

# PROJECT HAMMER

## Covert Finance and the Parallel Economy

*Off-ledger trading programs run by some central and international banks have been used to manipulate the price of gold and channel funds into covert government operations.*

*Part 2 of 2*

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### ILLUMINATI INTRIGUE AND "BLACK" GOLD COLLATERAL

The gold "connection" remains unclear. However, there is reason to suppose that the dollar "assets" that date back to the 1940s and 1950s, as earlier discussed by General Erle Cocke, may relate in part to vast quantities of gold looted during World War II by the Japanese plunder teams (known as the Golden Lily) and also by the Nazis in Europe.

That substantial amounts of gold bullion were ransacked and then hidden throughout the Philippines prior to war's end is now undeniable. This, however, was "black" gold—meaning it did not appear on official statistics or in treasury department lists.

Santa Romana was an OSS officer operating in the Philippines during the war and learned where the Japanese had buried plundered gold and other valuables. But there are other aspects to the Santa Romana gold story that are only now coming to the surface. They reveal a shocking secret that, if true, could shake the foundations of our belief and change the way we view the world we live in.

According to Santa Romana's widow, Luz, her husband told her that he was a member of the Illuminati—a very secretive elite group that dates back to 1776 when it was founded by Adam Weishaupt at the University of Ingolstadt, Germany. According to those who have researched it, the purpose of the Illuminati was to set in motion, in secret, a New World Order of world revolution.

This, however, does not fully tally with what Santa Romana told his wife about them. According to Luz, the purpose of the Illuminati was based on the knowledge that the royal families of Europe were aware that they were losing political and effective control of their nations. But it was the possible loss of control over the wealth of their kingdoms that bothered them most. Consequently, they founded the Illuminati and set in motion long-term plans aimed at secretly taking control of world finances, especially gold and other precious metals.

In time, the royal families who sat at the centre of the Illuminati movement were forced to expand and take into membership political and business leaders. At some point in the early 20th century, two 50-year plans were set in motion, aimed at cornering the world's precious metal reserves.

The foregoing is the account given to Luz by her husband Santa Romana. How true it is remains to be seen, and it is not hard to view it as disinformation told by Santa Romana to his wife to conceal his real motives—whatever they may have been.

More intriguing still is Luz's account that her late husband was the one-time "head" of the Trilateral Commission—an elite group which is known to have tentacles deeply embedded in the Marcos gold story of later years. Again, there is no corroborating evidence, and the fact that the Trilateral Commission was founded only in 1973, whereas Santa Romana died in 1974, suggests this is unlikely.

However, it is more than a little curious that whilst Santa Romana eventually (and undoubtedly) came to control the great bulk of gold that resulted from plunder during WWII, he did have substantial gold deposits dating back further than that.

Papers relating to the "estate" of Santa Romana purport to show a gold account at the Union Bank of Switzerland, Zurich, containing 8,000 metric tonnes valued at US\$10 billion. The account dates back to 1920. Such a quantity of gold dating from that period represents a massive holding, far surpassing that held today by the world's leading central banks.

It is also at least interesting—again, according to the account of his wife—that Santa Romana as a young boy was adopted by his great uncle in Hawaii who was married to the last Hawaiian princess. The couple had remained childless throughout their marriage, leading to the decision to adopt the young Santa Romana. According to Luz, it was this "royal" connection that gave Santa Romana entrée into the Illuminati.

Interestingly, during the course of my ongoing investigation into Project Hammer, a number of others involved in this program whom I have spoken with have told me, quite independently of the Santa Romana story, that the Hammer program—and numerous other collateral trading programs associated with it—have enormously powerful "gold trusts" of royal origin sitting behind them.

Perhaps the Hammer program was meant to generate enough money to buy substantial quantities of black gold stashed in the Philippines to ensure it be kept out of circulation, thus protecting the gold price to some degree. Perhaps it had more to do with the secret acquisition of vast amounts of this black gold in line with what Santa Romana told his wife. Perhaps the assets in question were not just gold but included pre-war US Treasury obligations (bonds and notes) that are now coming to light in the Philippines but which are said by US authorities to be fraudulent. Whatever is the case, it is certain that substantial quantities of "black" gold are used to underpin (collateralise) certain trading programs, and the funds thus generated are earmarked for use in other secretive operations.

This whole subject remains an ongoing investigation. The deeper I dig, the murkier it becomes. Stories are commonplace of warehouses full of banknotes waiting to be laundered by a trading program so that they can re-enter the financial system as clean as a whistle. Foreign exchange transactions involving billions of dollars in equivalent currency and which trade at huge discounts—unknown in the official marketplace—are also not uncommon. It is also a fact that many of those involved in trading programs are members of government intelligence and security organisations.

### **SOUTH AFRICAN INTELLIGENCE AND THE STASI**

Another individual who has played a considerable role in Project Hammer is the South African Rolf van Rooyen, who operated a number of business entities including one called Oceantech and another called Eastech International Bank. At one time van Rooyen worked for South African intelligence, and he is also believed to have been CIA at the time Project Hammer was in process.

Of significance is the fact that General Cocke and van Rooyen knew each other, although Cocke says he only spoke to him on the phone but never "shook hands with him". When questioned about Project Hammer during a police interview in Germany in 1995, van Rooyen gave this response:

"If you are referring to Operation Hamer [*sic*], it is an extremely large, very delicate operation in cooperation with the authorities of various countries in which Oceantech is involved."

Van Rooyen then proceeded to identify "America, England, Germany, France, Italy..." as being involved. He also told German police that from the very first day he began investigating Project Hammer:

"We realised that it was a direct state matter and that the USA, the CIA and several other groups in the Secret Service were involved, as well as very, very high-coupled people in the American Government."

The latter are rumoured to include George H. W. Bush, James Baker III, Former Treasury Secretary Lloyd Bentsen and Federal Reserve Chairman Alan Greenspan.

During his deposition, Erle Cocke was asked if he considered van Rooyen's foregoing statement to be accurate. Cocke replied, saying: "He is not too far off. I am sure he flavoured it up a little bit, yes."

Working alongside van Rooyen was South African intelligence operative Riaan Stander. Both Stander and van Rooyen were board members of the Eastcorp Syndicate, which boasted almost two dozen other companies in its stable.<sup>4</sup> Included were Intercol Pty Ltd, Cavo Shipping, which conducted intelligence-gathering missions for governments, and Bridge SA, which was registered in Monrovia, Liberia.

According to Peter Goslar, once a close friend of Riaan Stander, other board members of Bridge SA were Colonel Tim Spicer and Mick Ranger "of Sandline fame". In a letter written to

a Washington law firm involved in a Project Hammer lawsuit, Goslar fingers Bridge SA—and hence van Rooyen and Riaan Stander—as "part of the Executive Outcomes operation".

But there is more. During several daylong meetings I had with Peter Goslar in late June 2001, he handed me hundreds of pages of documents he had retrieved from Riaan Stander's private papers. These included documents showing a Mexican entity called Ro-Mar Pharmaceuticals, which van Rooyen told German police was the "money power" behind Eastech

International Bank. The money Ro-Mar Pharmaceuticals claimed to control was represented by over US\$100 billion in gold. Other papers clearly show van Rooyen and Stander engaged in collateral trading programs involving Latin American governments, most notably Argentina—once the preferred bolt-hole of notorious Nazis like Martin Bormann.

Another document from the batch I received from Peter Goslar was a list of companies grouped under the heading "United Kingdom Network", and this "network" was identified as being part of The Palace Group. An interesting description, I think. In any event, listed under this "group" were 24 business entities including Sandline International, Diamond Works, Branch Mining Ltd and Bridge International. The list also included Defence Systems Ltd as a part of The Palace Group and identified it as a division of Vickers—Britain's oldest and most distinguished armaments manufacturer, which resides at the very centre of the United Kingdom's Establishment.

During one of our meetings, Peter Goslar told me he was a personal acquaintance (perhaps even a friend) of former East German spy-master Marcus Wolf, who headed the East German security apparatus known as the Stasi. Peter also claimed to know several former Stasi operatives. He also spoke German fluently in addition to Afrikaans and his native English tongue.

Later I was told that a Peter Goslar was briefly mentioned in the autobiography written by Marcus Wolf, entitled *Man Without A Face*. Discussing the fall from grace of West German Chancellor Helmut Schmidt in 1977 following the discovery that his personal

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secretary, Dagmar Kahlig-Scheffler, was a spy working for the Stasi, Wolf explains that Chancellor Schmidt's spy-cum-secretary was caught when her Stasi control officer Peter Goslar came under suspicion by West German counterintelligence.

I asked Peter if he was the same Peter Goslar identified by his "friend" Marcus Wolf and he denied this. Nonetheless, he told me that Rolf van Rooyen was still living in Germany and was under the protection of two former Stasi agents. And we do know that the Stasi worked closely and in the shadows with South African intelligence on a variety of projects, mostly weapons-related. Curious.

The Palace Group, meanwhile, contains all the guile and charm of a privatised off-the-books appendage of Britain's Secret Intelligence Service (SIS).

On the other side of the Atlantic, General Cocke and his firm Cocke & Phillips International have many similarities with its foregoing British cousin and probably was (and is, as the firm remains active) one of the CIA's private off-the-books companies. This conclusion is not only drawn from Cocke's affiliation with the known CIA entity Nugan Hand Bank, but another CIA front company called Associated Traders Corporation.

ATC, as it is known, came into brief prominence some years ago following a series of articles written by syndicated columnist Jack Anderson, naming Associated Traders as a gun-running, money-laundering, "off-the-books" CIA front. Then, in 1988, a US\$4 million lawsuit was filed that involved ATC. By 1990, the Director of the CIA, William Webster, issued an affidavit calling for a sweeping gag order to be slapped on the lawsuit on the grounds of national security. Of interest is the fact that more than one source has told me that Associated Traders Corporation was General Cocke.

The foregoing connections could easily be typified as part of the Anglo-American-African covert intelligence relationship that continues to conceal many sins.

There is reason to suppose that part of the funds derived from the Project Hammer financial trading program went to fund certain military and intelligence operations in South Africa. These are thought to have included financing of the so-called "Hammer units" that are alleged to have engaged in brutal beatings and assassinations throughout South Africa prior to the collapse of the apartheid regime. It is also believed that Hammer funds were used to finance the purchase of arms given to the Inkatha Freedom Party, which was engaged in widespread acts of bloody violence during 1992 and 1993—as discussed in the 1994 Report of the Goldstone Commission of Inquiry that named Eastech, van Rooyen and Stander.

Another aspect of Project Hammer may have involved the desire to plunder South Africa of much of its available mineral wealth prior to the country's coming under control of the ANC in 1994. In the hard-hitting and suppressed book *Glitter and Greed*,

written by Australian investigative reporter Janine Roberts, the Oppenheimer family and De Beers arranged that a "...fabulous multibillion Rand stockpile of the finest gems was shipped out prior to the 1994 elections, and that the mines producing the best gems were put into overdrive in both South Africa and Namibia so that as many as possible of the better gems were extracted as fast as possible."<sup>15</sup> I have also been told that large quantities of South African gold were also surreptitiously shipped out of South Africa at around this time—presumably for similar reasons.

It is also of interest to note that mounting evidence points to the conclusion that since 1995 the price of gold has been kept purposefully low as a result of a conspiracy engineered by the US Treasury Department in collaboration with leading international banks. The result has been that the cost of extracting gold for many South African gold mines is no longer cost-effective.

Could some of this alleged "missing" South African gold be related to a transaction that van Rooyen and Stander entered into in 1991? This involved Eastech International Bank's agreeing to purchase 5,000 metric tonnes of gold at a 4% discount from the prevailing Second London Fix—at a cost of about US\$50 billion. This gold was held in the free zone area beneath Zurich's Kloten Airport. The contract, which was to be governed by the "canton laws of Zurich", runs to six pages and each page bears the official stamp of the Swiss police, authorising and validating the transaction.

It remains unclear if van Rooyen and Stander were acting on their own behalf or were fronting for someone else in this transaction. Van Rooyen, at least, has been fingered as a CIA asset in addition to his having South African intelligence affiliations. Might they have been operating as a "deniable cut-out" for the US Treasury Department who wished to get delivery of this gold?

Perhaps the Chinese Government was party to the transaction instead. Eastech International Bank was, after all, a wholly owned subsidiary of Sino-Eastech, an entity which van Rooyen told German police investigators was "established in China" and which "operates from Xin Xong and was originally established by the

General Staff of the 7th military power in China". In operating their bank, van Rooyen and Stander liaised with a Chinese Army General whom van Rooyen declined to name, saying he wasn't "sure what his name is". His German police interrogator, displaying a well-honed sense of official disinterest in such diplomatic incongruities, rapidly moved on to other issues.

By 1995, Eastech International Bank had begun to hit the radar screen of regulatory authorities around the world, which viewed it with suspicion. But by then it seems probable that much of Project Hammer's South African objectives had been fulfilled. Fearing the worse, Rolf van Rooyen left South Africa and travelled to Germany. And according to his one-time friend Peter Goslar, that is where he still lives—albeit protected by former members of East Germany's Stasi spy network.

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It remains to be seen whether the sanctions-busting objective of the South African end of Project Hammer was a simple case of certain elites making sure they got all the mineral wealth they needed from South Africa before turning the country over to the ANC and Nelson Mandela in 1994. What is known is that, beginning in 1995, the price of gold entered a new round of price manipulation which continues to this day.

Over the last two years, the Gold Anti-Trust Action (GATA) group has demonstrated that the manipulation of the gold price has been orchestrated by the US Federal Reserve working in collusion with leading Wall Street and international banks. Many of those banks quoted by GATA as being party to the price manipulation conspiracy—for that is what it amounts to—are also major players in trading programs.

In any event, the depressed price of gold has made many South African mines uneconomic to operate, and one cannot help but ask if this was by design. Southern hemisphere nations may sit on much of the mineral wealth of the planet, but the northern hemisphere industrialised nations appear intent on continuing to control and exploit it.

### **MORE "BLACK" GOLD**

Project Hammer and the Jacobe program have the appearance of being "umbrella" operations geared, in the narrow sense at least, to generating funds for particular authorised projects. Once the proper authorisation has been issued, programs such as these seem to broaden in scope and greater effort goes towards creating deniable slush funds for use in any number of ways as the occasion demands. When you think about it, this makes considerable sense for those who engage in the game of black operations and political manipulation.

In addition to its authorisation to repatriate dollars dating back to the 1940s and 1950s, as explained by General Cocke, could Project Hammer have had other purposes? For example, could it have been used to finance another project—one that had specific East German connotations and which might explain the Stasi connection more fully?

It is certainly interesting that on 6 February 1989, the French Central Bank, the Banque de France, issued an International Certificate of Deposit for 620,000 kilograms of 99.99% pure gold. At that time, 620 metric tonnes of gold had a market value of about US\$7 billion. A king's ransom.

The certificate is almost identical to dozens I have on file and which I have written about and also reproduced in my book, *The Secret Gold Treaty*. As I explain there, certificates of this nature invariably contain spelling mistakes or other obvious typographical flaws which can be used to deny the validity of the certificate in the event it ever reaches public attention.

This was a technique developed by Britain's secretive Special Operations Executive (SOE) in WWII. SOE agents, parachuted into France and elsewhere in occupied Europe, were taught to insert pre-arranged spelling errors into messages they sent by

radio in the event they were captured by the Nazis. This would immediately alert SOE that the agent was in custody and that German counterintelligence wished to use the agent to feed false information back to HQ.

In any event, the Banque de France certificate mentioned above was in the name of Erich Honecker, the then East German head of state (see exhibits). Six months later, in a trumpet of media coverage, Honecker was ousted from power. A month after that, the Berlin Wall—the very symbol of Communism throughout the world—was opened. The opening was abruptly followed by its complete demolition at the hands of a euphoric public. Germany, which had been divided for over 30 years, was at last reunified.

By many accounts, Project Hammer began trading in November 1989 but was set up a lot earlier than that. Few of those involved in the transaction on the periphery know for certain what assets were used to collateralise it, although black gold has been mentioned in numerous telephone conversations and correspondence. But all parties are certain that an element of the backing collateral was cash.

What we do know is that Citibank had accounts in the name of José Diaz and Severino Santa Romana. These were billion accounts dating back to the years that Santa Romana, General Edward Lansdale and others were engaged in recovering gold stashed in the Philippines by the Japanese plunder teams, the Golden Lily.

At some point in history, some of Santa Romana's gold was converted to cash. This, along with gold and other plunder, was deposited in well over a hundred bank accounts located in over 40 countries throughout the world. These were the deniable assets that made up a particular CIA slush fund, known to insiders in the black gold market as the Black Eagle Fund—a name that was based on the symbol of the Nazi eagle. Some of these assets were placed under the control of the late Baron von Krupp, whose personal attorney, Carl Hermann Letemeyer, of the private Zurich-based law firm of Senn, Christians & Letemeyer, handled the Baron's

estate following his death.

Documents I published in *The Secret Gold Treaty* reveal that out of a fortune of just over US\$12 trillion which the late Baron controlled, slightly over \$110 billion was earmarked for one Clemente Santiago, a relative of Candelaria Santiago who was the "most trusted lady" of the late President Marcos of the Philippines.

Baron Krupp's incredible fortune was undoubtedly largely composed of Santa Romana's plunder, later acquired by deception by President Marcos, who had earlier been Santa Romana's lawyer in the Philippines prior to his rise to political office. In reality, stories about "Marcos gold" speak of Santa Romana's gold and the OSS/CIA's gold—although Marcos did recover vast quantities for himself via a Philippine Army battalion dedicated to locating and recovering WWII plunder.

**How would G7 governments explain to a cynical public that decades of drug money and illegal weapons sales proceeds had been laundered with their blessing (albeit in secret) in order to win the Cold War and also to artificially prop up a political system that we call Capitalism, which would otherwise collapse under its own inherent flaws?**

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A memorandum under the letterhead of Senn, Christians & Letemeyer, and signed by Carl Herman Letemeyer (see exhibits), lists four bank accounts which collectively have a balance of US\$71 billion. The bulk of this is listed as being held in account number 4 77 22 P at Standard Chartered International Trustee Limited, London; US\$9 billion is shown under account number LVI 820975 TI at Citicorp, New York; US\$12 billion is listed under the Bank of China, Hong Kong, account number 5555 201HE; and US\$3 billion in the Bank of East Asia, Hong Kong, account number 78 9520 37 0. The memorandum is dated October 3, 1989—right in line with the Hammer and Jacobe trading programs.

This is more than interesting. Other information provided to me shows that Standard & Chartered Bank was deeply involved in the Jacobe program. According to a detailed memorandum in my possession, the trustee of the Jacobe program had "arranged that the monies be funnelled through a Trust account" of this bank.

Citibank, according to General Cocke and many others who were involved, was "the cheese" behind the Project Hammer trading program.

And then there is the Chinese connection to van Rooyen's Eastech International Bank and van Rooyen's and Stander's involvement with both Hammer and Jacobe.

### SECRET FUNDING FOR DENIABLE GOVERNMENT OPERATIONS

The foregoing has merely scraped the surface of what is an exceptionally complex and extensive story. A great deal of further investigative work is required to plumb the depths in order to present a more comprehensive account. Presently there are more questions than answers.

Hammer and Jacobe, meanwhile, are only two of many other trading programs currently under investigation by this writer. Others with names like "Redhead", "Grandmother" and "Graystone" also need investigating.

These programs eclipse more secrets than you can wag a dog's tail at. They represent the very pinnacle of covert funding for deniable government operations. Slush funds that have been generated by this

process are regularly said to be in the many trillions of dollars. This is confirmed in the deposition of General Cocke, who argues that the Hammer program "expanded" by Dan Hughes in 1989 would have become "enhanced" over the decade and now be worth over one thousand billion dollars. It is also confirmed by the documents issued by the late Baron von Krupp's Swiss lawyer, which reveal "profits" in excess of US\$12 trillion.

Amounts of this magnitude could punch a massive hole through the shortfalls in social welfare programs around the world. Famine could be eradicated from the face of the Earth, and death from easily curable diseases (in the southern hemisphere in particular), which spiral for lack of money, could easily become a thing of the past. All this could be achieved if these huge gobs of money were brought in from the cold and placed "on ledger".

But there appears to be no will to do this. Too many difficult questions and harder-to-justify explanations block the way. How would G7 governments explain to a cynical public that decades of drug money and illegal weapons sales proceeds had been laundered with their blessing (albeit in secret)

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in order to win the Cold War and also to artificially prop up a political system that we call Capitalism, which would otherwise collapse under its own inherent flaws?

It took the CIA over six months to respond to a Freedom of Information Act request seeking information on Project Hammer and the Jacobe program. The request was denied under exemptions (b)(1) and (b)(3) of the FOI Act. Section (b)(1) of the Act applies to material that is "properly classified pursuant to an Executive Order in the interest of national defense or foreign policy", and exemption (b)(3) applies to the CIA Director's statutory obligation to "protect from disclosure intelligence sources and methods, as well as organization, functions, names, official titles, salaries or numbers of personnel employed by the Agency". Appeals are in progress.

For those readers who would like to view some documents relating to Project Hammer, Jacobe and the officially "non-existent" gold deposits of Severino Garcia Santa Romana, I have scanned in a half-dozen or so pages that are freely available

on my website, [www.deepblacklies.co.uk](http://www.deepblacklies.co.uk). I have also made available, at a small cost, a full copy of General Erle Cocke's 67-page deposition, together with a copy of the deposition given to German police by Rolf van Rooyen, plus a few other relevant documents which I have named the "The Project Hammer File".

Meanwhile, my investigation into Project Hammer and similar projects involving covert finance operations continues apace.

### Endnotes

4. Among the many activities that Stander and van Rooyen were engaged in—including gold dealing, setting up banks in Switzerland and Latin America, trading prime bank debentures plus numerous other "business" opportunities—they were also putting together a deal to sell a consignment of Glock pistols.

5. Janine Roberts's incredible and compelling book, *Glitter and Greed: The Diamond Investigation*, is available for purchase on the Internet via the website [www.macha.f9.co.uk/dia-suppress.html](http://www.macha.f9.co.uk/dia-suppress.html).

### About the Author:

David Guyatt has survived a 28-year career in investment banking (member, AIBD), based in the City of London. His last position was

Associate Director and Treasurer of the forfaiting (an arcane banking term meaning "to discount without recourse") division of a major international bank.

David now pursues a career in journalism, writing for a variety of media and researching and producing factual material on a wide range of associated subjects. This is his ninth article for NEXUS, the most recent ones published in 8/01 and 7/05.

In addition to his feature writing, David has prepared background papers on Anti-Personnel Electromagnetic Weapons for the International Committee of the Red Cross (ICRC), was a contributing member of ICRC's STrUS Project that sought to define criteria for judging "abhorrent weapons", and has written for the World Development Movement on his "insider's knowledge" of international weapons financing. He has been a consultant on Swiss and UK TV documentaries exposing the threat of non-lethal weapons and Britain's weapons trail to Indonesia. He is presently assisting the US-based law firm Easton & Levy in its lawsuit against the Vatican for the restitution of the Nazi Croatian Treasury which was illicitly transferred to the Vatican and elsewhere at the end of World War II.

David has recently completed an in-depth investigation into the black market of gold and has published it as an electronic book, *The Secret Gold Treaty*, available through his home page, [www.deepblacklies.co.uk](http://www.deepblacklies.co.uk).